



[4830-01-P]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9925]

RIN 1545-BP23

Meals and Entertainment Expenses Under Section 274; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations; correction.

SUMMARY: This document contains corrections to the final regulations (Treasury Decision 9925) that published in the **Federal Register** on October 9, 2020. The final regulations provide guidance under section 274 of the Internal Revenue Code (Code) regarding certain recent amendments made to that section. Specifically, the final regulations address the elimination of the deduction under section 274 for expenditures related to entertainment, amusement, or recreation activities, and provide guidance to determine whether an activity is of a type generally considered to be entertainment.

DATES: These corrections are effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER] and applicable for taxable years that begin on or after October 9, 2020.

FOR FURTHER INFORMATION CONTACT: Patrick Clinton of the Office of the Associate Chief Counsel (Income Tax and Accounting), (202) 317–7005 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9925) that are the subject of this correction are issued under section 274 of the Internal Revenue Code.

Need for Correction

As published the final regulations (TD 9925) contain errors that need to be corrected.

Correction of Publication

Accordingly, the final regulations (TD 9925), that are the subject of FR Doc. 2020–21990, published on October 9, 2020 (85 FR 64026), are corrected as follows:

1. On page 64031, third column, the second line, the language “*in Sutherland Lumber*” is corrected to read “*in Sutherland Lumber-Southwest*”.
2. On page 64031, third column, the ninth line of the second full paragraph, the language “§ 1.274–10(a)(2)(ii)(C)(2)” is corrected to read “§ 1.274–10(a)(2)(ii)(C)(2)”.
3. On page 64032, second column, the second line, the language “or gross income is zero, whether zero is” is corrected to read “or gross income is zero (other than due to a reimbursement by the recipient), whether zero is”.
4. On page 64032, second column, the thirteenth line from the top of the page, the language “(e)(9) do not apply.” is corrected to read “(e)(9) generally do not apply.”.
5. On page 64032, second column, the thirteenth line from the top of the page, the language “Similarly, the exceptions in section 274(e)(2) and (e)(9) do not apply if” is corrected to read “However, the exceptions in section 274(e)(2) and (e)(9) will apply if the recipient reimburses the taxpayer for a portion of the value of the food or beverages even if the value exceeding the reimbursed amount is properly excluded from the recipient’s compensation and wages or gross income. In this case, however, the taxpayer must apply the dollar-for-dollar rule as described in §1.274-12(c)(2)(i)(D). In cases in which”.
6. On page 64032, second column, the second and last sentence from the bottom of the first partial paragraph, remove the language “. In that case, however,”.

7. On page 64032, third column, the third line of the second full paragraph, the language “regulations confirm” is corrected to read “regulations confirmed”.
8. On page 64032, third column, the twelfth line of the second full paragraph, the language “demonstrates” is corrected to read “demonstrated”.

Crystal Pemberton,
Senior Federal Register Liaison,
Publications and Regulations Branch,
Legal Processing Division,
Associate Chief Counsel,
(Procedure and Administration).

[FR Doc. 2020-26860 Filed: 12/17/2020 8:45 am; Publication Date: 12/18/2020]